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The Effect of Cultural Intelligence on Employee Performance in International Hospitality Industries: A Case from the Hotel Sector in Egypt

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THE EFFECT OF CULTURAL INTELLIGENCE ON EMPLOYEE PERFORMANCE IN INTERNATIONAL HOSPITALITY INDUSTRIES: A CASE FROM THE HOTEL SECTOR IN EGYPT

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ABSTRACT

This study highlights the importance of cultural intelligence in international business. Employees with high levels of cultural intelligence (CI) achieve high performance levels, therefore CI should be a screening criteria and a training goal within multinational companies. A five stars hotel is chosen as the field for testing/examining the theoretical framework identified in the literature. The cultural intelligence level of employees in this hotel is first determined through a questionnaire technique using a valid and reliable test (the Cultural Quotient Scale). Then the performance of these employees is identified through examining selected criteria in their performance review. To verify the results of the evaluation, interviews are conducted with the respective managers in the hotel. The research confirms the positive relation between CI and selected criteria of the individual performance of employees in this hotel. It is concluded that CI is an important attribute for employees in the international hotel sector. Therefore, programs to identify and develop the CI of the employees in this sector are recommended.

Keywords: *Cultural intelligence; international business; hospitality industry; individual performance.*

INTRODUCTION

This study examines the concept of Cultural Intelligence (CI) as a predictor of work performance in areas where cross-cultural communication takes place. It concentrates on this aspect, as it is one of the areas identified in the literature on the subject as a recommendation for further empirical work. The focus of this study is on domestic jobs in the hospitality industry in Egypt, i.e. multinational hotels. The study will investigate the relationship between the employees' CI and their individual job performance.

This area of research has not been investigated widely outside the U.S. and South East Asia. There are recommendations for further research on the subject in Europe, Latin America and the Middle East (Ang, Livermore, & Van Dyne, 2010). This study aims at shedding more light on Egypt as one Middle Eastern country. It is focusing on one sector of the international hospitality industry in Egypt, which is the hotel sector, as it is a fertile ground for work conditions where constant interaction between Egyptian employees and customers from all over the world takes place on a daily basis. CI is expected to be an important attribute for employees in these organizations.

There is a rich international literature on CI and its relation to performance, especially when it comes to leaders. This study adds value to this existing body of knowledge, as it sheds more light on international hotels, where CI plays a significant role. It also examines all employees, not just those in managerial positions. Thus, this study should have practical

implications for this industry with respect to certain aspects of international Human Resource Management like selection, training and development as well as performance appraisal and evaluation structures.

REVIEW OF THE LITERATURE AND THEORETICAL FRAMEWORK

Various theories and books have been written about culture (House, 1998); the writings of Hofstede, Trompenaar and Hall are famous and widely used and referenced by researchers. They examine and analyse all aspects of culture (national and organizational) and show generally how strategies, structures, management and leadership styles are affected by culture (Browaeys & Price, 2008; Dereskey, 2008).

The literature on cross cultural interaction mentioned above is general in nature and tackles mostly cultural knowledge, i.e. knowing and having information about different cultures, work norms, habits and behaviors. Intercultural competence and effectiveness is an interdisciplinary area, it has been discussed in the literature of various disciplines; sociology, psychology, international business and international management for a few decades now (NG & Earley, 2006). Therefore, the concept of CI is the product of the interaction of various fields of research; "it considers cultural, social and individual dynamics that occur for each of us in cross-cultural settings" (Ang, Livermore, & Van Dyne, 2010).

Even when the research about cultural dimensions and effectiveness is not general, it is most interested in issues concerning expatriates and international assignments. It discusses expatriate performance, training and cultural adaptation, as these are identified as problematic areas for multinational companies (NG, Van Dyne, & Ang, 2009). There is also considerable research on intercultural communication and negotiation (Adidam, Gajre, & Kejriwal, 2009; Imai & Gelfand, 2007). However, all these writings address the knowledge of different cultures. Cultural Intelligence (CI) goes beyond that and examines the motivation and skills as well as behaviors and strategies of dealing with people from different cultures. Being culturally intelligent means identifying behaviors that are universal, behaviors that are cultural and distinguish other behaviors that are idiosyncratically personal to a particular individual in a specific situation (Van Dyne, Ang, & Livermore, 2010). CI should not be confused with 'cultural adaptation', though. Earley and NG identified and proved that Cultural Intelligence is distinct from "cultural adaptation" (NG & Earley, 2006) and that it goes beyond it. It should be noted, however, that past research does not focus on general individual capability and effectiveness in situations with cultural diversity (Ang, Koh, & Van Dyne, 2008).

In 2004 Earley and Masakowski point out that there are two types of cultural intelligence; an organizational CI and a geographic/ethnic culture related CI. The first describes one's capacity to socialize quickly and effectively in an organization; the second is about being "globally literate" (Earley & Mosakowski, 2004). "The cultural intelligence approach goes beyond this emphasis on knowledge" (Ang, Livermore, & Van Dyne, 2010). It also examines the understanding, motivation and skills that enable individuals to operate and act effectively in different cultural settings (Ang, Koh, & Van Dyne, 2008). Thus, CI considers not only cultural aspects, but considers sociological as well as individual dynamics that occur for each individual in cross-cultural settings (Ang, Livermore, & Van Dyne, 2010).

The definition of CI has developed and changed with time from 2002 till now. Most of the definitions are quoted in Alon & Higgins (2005). The various definitions cover aspects concerning skills and adaptability; intelligence; certain capabilities all concerning functioning

effectively in multi-cultural settings, whether common or familiar to the individual (Alon & Higgins, 2005). Therefore, the definition by Ang et. Al in 2010 is quite comprehensive. CI refers to "an individual's capability to function effectively across cultures – this can include national, ethnic and organizational as well as other types of culture" (Ang, Livermore, & Van Dyne, 2010).   This means that CI refers to the ability to perform effectively in situations and surroundings not similar to what one has been used to. Accordingly, such individuals are able to effectively work in and adapt to unfamiliar environments. According to Ang et al (2010), as well, "CQ focuses specifically on one's capability to effectively understand and adopt to a myriad of cultural contexts as an essential skill set needed to lead effectively across cultures."

There are several attempts at developing models and introducing scales to determine and measure CI.   The Social Cultural Adjustment Model was developed by Black et al in 1991. It identifies three dimensions to be used when evaluating how well international managers adjust to working in other cultures; social cultural adjustment, work adjustment and general adjustment to the environment (Gabel, Dolan, & Cerdin, 2005). It is heavily criticized as being too mechanical, neglecting relationships between dimensions and not evaluating the outcome of adjustment (Gabel, Dolan, & Cerdin, 2005).

In a further attempt to measure CI Earley & Mosakowski in 2004 published an article in Harvard Business Review where they provided a self-scored diagnostic tool for measuring CI that consists of three components; cognitive, physical and emotional. They believe that CI "resides in the body and the heart as well as in the head" (Earley & Mosakowski, 2004). However, this tool is evaluated by scholars as "primitive and not subjected to emperical validity test" (Alon & Higgins, 2005).

Alon and Higgins refer also to another assessment instrument, which they believe was showing more promise; "the Cross-cultural Adapability Inventory Test", developed by Kelley and Meyers in 2004. It is a 50 questions assessment instrument which is dvided in four areas reflecting different factors; emotional resiliency, perceptual acuty, flexibility, and personal autonomy (Alon & Higgins, 2005).

In 2005 Alon & Higgins still believed that "no systematic approach to developing CI was evident in practioner-based articles" (Alon & Higgins, 2005). In 2007, according to Lang et al., there was a considerable amount of research on CI, but it was theoretical in nature. The amount of empirical research was scarce in comparison, mainly due to the novelty of the construct. In the same study the researchers identified two studies, one by Ang et al. in 2006 and another by Templer et al. also in 2006 that contributed to the CQ empirical research. The first attempted to relate the CQ to the Big Five Personality traits model. The second examined the relation between CQ and global adjustment. Both studies are positively acknowledged as providing "initial evidence of the discriminant validity and practical significance of CQ" (Ang, et al., 2007).

There is another concept developed and validated by Ascalon et al. (2008), the Cross-cultural social intelligence (CCSI), which they suggest for assessing employees working in cross-cultural settings. However, as the researchers state, this construct "represents a marriage of two relatively disparate literatures, those on social intelligence and cross-cultural communication" (Ascalon, Schleicher, & Born, 2008). To reflect that the assessment focuses mainly on two criteria, ethnocentrism (cultural aspect) and empathy (social intelligence aspect). Thus, the assessment does not adress cultural intelligence solely, in addtion, though "supported by content and construct validity, it has not been validated in a criterion-related way" (Ascalon, Schleicher, & Born, 2008).

The measurement for CI which attracted most attention and recognition by scholars is the CQ (Cultural Quotient). This construct was based on the work of Earley and Ang in 2003 which is based on contemporary theories of intelligence (Ang, et al., 2007). They basically rely on the work of Sternberg and Detterman of 1986 which integrated multiple levels of intelligence and proposed four complementary ways of conceptualizing individual intelligence (NG, Van Dyne, & Ang, 2009). Like IQ, which is describing "rational and logic-based verbal and quantitative intelligence" (Alon & Higgins, 2005), i.e. mental and cognitive ability, CQ is describing an "individual's capability to function and manage effectively in culturally diverse settings" (Ang, et al., 2007). Earley and Ang identify four different main components of CQ; "they are qualitatively different but interrelated capabilities" (Ang, Livermore, & Van Dyne, 2010). These are motivational CQ, cognitive CQ, meta-cognitive CQ and behavioral CQ, and they constitute the CQ.

Motivational CQ describes desire and self-efficacy (NG & Earley, 2006), it is the capability to direct attention and energy toward learning about and functioning in situations characterized by cultural differences (NG, Van Dyne, & Ang, 2009). Cognitive CQ refers to knowledge about different cultures (NG & Earley, 2006), this means knowledge of norms, practices, and conventions in different cultural settings acquired from education and personal experience (NG, Van Dyne, & Ang, 2009). Metacognitive CQ is concerned with the cognitive strategies to acquire and develop coping strategies (NG & Earley, 2006), it is the capability for consciousness and awareness during intercultural interaction (NG, Van Dyne, & Ang, 2009), it is about strategizing and making plans for and sense of culturally diverse situations (Van Dyne, Ang, & Livermore, 2010). Behavioral CQ describes the repertoire of culturally appropriate behaviors (NG & Earley, 2006), it is about being able to use verbal and non-verbal actions in cross-cultural interactions (Van Dyne, Ang, & Livermore, 2010), and being able to use appropriate words, tones, gestures and facial expressions (NG, Van Dyne, & Ang, 2009). The four-factor model of CI has more support from different scholars and researchers (Ang, Livermore, & Van Dyne, 2010).

Thus, the Cultural Intelligence Scale (CQS) developed by Earley and Ang to measure CI of individuals, assesses four items for metacognitive CQ, six for cognitive CQ, five for motivational CQ and five for behavioral CQ (Moon, 2010). It is a self rating scale consisting of 20 items, taking this test means giving oneself a mark from 1 – 7 on each of the items (Van Dyne, Ang, & Koh, 2008). Thus, hypothetically one can achieve a maximum of 140 and a minimum of 20 points when completing this survey.

Based on this model, Van Dyne, Ang and Koh are able to develop and validate the measurement of CI, namely the Cultural Quotient Scale (SQS) (2008). They prove through conducting four sequential studies that the SQS has a clear and meaningful four-factor structure, which is stable across samples, times and countries. Furthermore, they confirm the validity of the self rating process. They conclude through the six studies they conducted that the CQS is a reliable and valid measure of CQ (Van Dyne, Ang, & Koh, 2008).

Within the literature on CI, there are other areas and relations which have been examined by scholars. There is considerable research on the relationship between CI and Emotional Intelligence (EI) (Gabel, Dolan, & Cerdin, 2005), and between it and Social Intelligence (SI) (Ascalon, Schleicher, & Born, 2008). Some research suggests an overlap between the two concepts, others identify a causal relationship between them, others suggest a complementary structure and add IQ to them. This is very important as it confirms the importance and distinctiveness of the concept. What most of the research on that area has in common is that it

suggests a relationship between CI and performance, especially that of leaders in cross-cultural settings (Adidam, Gajre, & Kejriwal, 2009; Rodrigues, 1998; Tan, Hartel, Panipucci, & Strybosch, 2005). The study by Ang et al., however, revealed that only the metacognitive component and the behavioral component of CQ predicted task performance (2007).

Some researchers argue that CQ is founded on social intelligence (measured by the Social Quotient) as well as mental and mathematical intelligence (measured by the Intelligence Quotient) and Emotional Intelligence (measured by the Emotional Quotient) (Moon, 2010). Earley and Mosakowski believe that "cultural intelligence (CI) is related to emotional intelligence (EI), but it picks up where EI leaves off" (2004). The recently published research by T. Moon supports in its findings the discriminant validity of the four factor model of the CI scale (CQS) in relation to the emotional intelligence construct (EQ) (Moon, 2010).

It should be noted that, there is agreement in the literature that CI can be cultivated (Adidam, Gajre, & Kejriwal, 2009; Alon & Higgins, 2005; Deng & Gibson, 2009). "Unlike other aspects of personality, CI can be developed in psychologically healthy and professionally competent people" (Earley & Mosakowski, 2004). This means that one can be trained to increase his/her CI capabilities. Earley & Mosakowski explain that they were able to achieve that in their work with Deutsche Bank, where they introduced and implemented a two and a half day corporate training program to enhance the employees CQ to improve the work relationships with partners in India (2004). The same argument is presented by NG & Early, as they point out that CQ is different from general personality traits. They refer to it as a "construct reflecting on individual's capability to adopt to cross cultural contexts that can be developed and enhanced through intervention" (NG & Earley, 2006). Alon and Higgins recommend that CI be included in the performance appraisal in companies with global operation. They propose specific training programs to increase CI which include cultural awareness case studies, cross cultural behavior training through role playing, simulations, etc… They also believe that CI should be embraced as part of the global leadership development programs (2005).

HYPOTHESIS

Based on the above review, there are certain established relations between CQ and certain variables, like task performance, cultural adaptation, personality traits, global adjustment and leadership effectiveness. Some relations with CQ have not been addressed directly like the one with gender and age. This study aims at testing the following hypothesis focusing on the international hotel sector in Egypt:

Hypothesis: There is a positive relationship between Cultural Intelligence and individual job performance.

There are questions the study also intends to answer, in order to investigate potential demographic moderators and mediators in the relationship identified in the general hypothesis also focusing on the hotel industry in Egypt:

1. *Does CI differ based on gender?*
2. *Does age affect the level of CI?*
3. *Is the level of CI affected by the years of experience of employees in cross-cultural settings?*

RESEARCH METHODS

The study uses the case study strategy and applies quantitative (questionnaires) as well as qualitative (semi-structured interviews) methods.

Findings and analysis of the literature suggest the hypothesis and the gaps identified result in the research questions listed above. When it comes to the field research, a case study strategy is adopted. The rationale for using a case study is that the researcher aims at conducting an empirical inquiry that investigates a contemporary phenomenon within its real-life context relying on prior development of theoretical propositions which guide the data collection and analysis (Yin, 2003). The study depends on applying the four factor model as a theoretical framework and it uses the CQS developed form it to conduct the empirical study. The primary findings from the field research are quantitative. They are analyzed using the SPSS version 19 statistical software. Qualitative methods, i.e. semi structured interviews with the Human Resource Director and the Training Manager, are used for deeper analysis of the results.

Sample and Data Collection

To conduct the empirical study, the case study strategy is used. A five star hotel in down town Cairo, the capital of Egypt is selected for conducting the case study. It is one of the most luxurious hotels in Cairo enjoying a high occupancy rate throughout the year (average of 70% with a total number of 250,000 customers). Customers are from all over the world. The most frequent nationalities staying at the hotel are: Americans, British, Germans, Italians, French, Japanese, Indians and Arabs. When asking the Resident Manager about the distribution according to region, he said that guests are equally from America, Europe and the Arab countries. Then in fourth place would be Japanese guests. The purpose of their stay varies from tourism, conference attendance to conducting business.

In the hotel industry, employees have an important categorization; guest- and non-guest-contact. The researcher believed it was more suitable to focus on guest-contact employees only, as they are the group directly interacting with the customers who have different nationalities representing different cultures, i.e. they are the employees working in cross cultural settings. In order to increase the generalizability of the CQ construct across countries, the study only focused on Egyptian employees.

The hotel has a total of 1297 employees, 90% of them are Egyptians. It has 754 employees who are guest contact, 682 of them are Egyptians. Thus, the population size is 682 and the sample size chosen was 120 employees from various departments. The researcher used the following equation to determine the sample size: $n = \frac{N}{1+N(e)^2}$, (Israel, 1992) where e is the level of precision, N is the population size and the confidence level is 95%. The sample size calculated was 87. The researcher chooses to conduct the questionnaire with 120 employees, to be able to eliminate potential invalid and or unreliable results and still have a representative sample size. The population - as well as the sample - cover four main departments; Food and Beverage (F&B), Front Office (FO), Housekeeping(HK), and Sales & Marketing (S&M). The remaining departments are all considered under the category of "other departments", as they do not have a comparable number of employees.

The process

The quantitative part

The questionnaire (in Appendix) is adapted from the 20 item four factor CQS. (Use of the scale is granted to academic researchers for research purposes). The CQS is composed of 4 qualitatively different but interrelated capabilities; Motivational CQ (4 items), Cognitive CQ (6 items), Metacognitive CQ (5 items), and Behavioral CQ (5 items) (Van Dyne, Ang, & Livermore, 2010). However, an additional item is added by the researcher to each of the four factors to guarantee reliability. It is a statement in total contradiction to the other items in the factor. Participants who fail to recognize it and do not pick a rating in opposite direction to the rest of the scores they have in the same factor, are eliminated from the statistical analysis and their questionnaire is considered unreliable.

The questionnaire is translated into Arabic, the native language of the surveyed employees. It is translated and back-translated to ensure accuracy and to make sure that terms and ideas are understood and translated correctly. (Ascalon, Schleicher, & Born, 2008) It is initially translated by the researcher (who has extensive knowledge of the specific subject area) and back-translated by a professional translator.

The interview survey method is used to have employees complete the questionnaire. This ensures the right understanding of the questions and made sure that they took the process seriously. It also gives the opportunity for having mini interviews with the participants.

The sample is taken randomly with conditions. Based on the recommendation of the Human Resource Director during the first interview, the researcher sat in the staff lounge during the break hours to conduct the interview surveys. There are two breaks per day; one from 12:00 – 16:00 for the morning shift, the second from 18:00 – 21:00 for the afternoon shift. The researcher was scheduled to visit the hotel 12 days over the period of 6 weeks. This meant twice per week from 12:00 – 21:00, changing days each week to guarantee randomness.

The researcher, assisted by a Human Resource Department personnel invited and asked employees to fill out the questionnaire. It was up to the employee to accept or refuse. Therefore, the researcher was not able to survey the proportional number of employees from each department. Most of the employees were willing to participate when assured that it will not take more than five minutes and after checking the length of the questionnaire paper for themselves.

Each interview survey took in average 10 minutes, depending on how much time the employees wanted to talk and/or inquire about issues raised in the questionnaire. Thus, the interview survey method proved to be very useful. The employees gave many voluntary explanatory comments which added to the researcher's understanding of the case under examination.

Most employees were welcoming to participate and fill out the questionnaires, except members of the Housekeeping department. They were the most reluctant to participate, although they are the second biggest department in terms of personnel, after the food and beverage (F&B) department.

After filling out the questionnaire, which assesses the employees' level of CI, the researcher needed a measure for the performance of these employees surveyed. When initially examining the standard "Performance Appraisal" form of the hotel which is used worldwide, the researcher was confused by its structure. The appraisal form consists of four sections; the first is the overall performance which is the sum of the other three sections. The second section is the

key performance objectives (KPO), the third is leadership competencies, and the fourth is "Wining Ways". The KPO section is about the targets and goals agreed upon at the beginning of the evaluation period between the employee and his/her supervisor. It consists of a maximum of 9 items. Each should be scored and an accumulative score is to be calculated at the end of the section. This section amounts to 50% of the overall performance. The section on leadership describes and evaluates the leadership potential of the employee and covers four main behaviors; being team-focused, action-oriented, passionate and savvy. The accumulative score thereof amounts to 25% of the overall performance. The third section is about applying and adopting the Hotel's "winning ways" in all behaviors and attitudes. This is about acting and behaving in accordance with the Hotel's values and culture. The winning ways are represented in five items which amount to 25% of the weight of the overall performance score. They are: "Do the right thing", "aim higher", "show we care", "celebrate difference", and "work better together".

The researcher decided to focus on the score of the overall performance evaluation of each employee, believing that it will be a general and comprehensive indicator of the employee's performance. Nevertheless, the detailed scores of the three other sections were also requested to be able to conduct a deeper analysis of the results.

The researcher provided a list of the employees surveyed to the HRM department with the names, IDs and the respective departments. The researcher gave each one a "CI- ID", as well. The personnel officer was asked to record the score of the overall performance of the employees as well as the score of the last two sections. There was no need for the first section score, if it was to be needed it could be easily calculated from the other scores. The names of the employees were then deleted for confidentiality purposes and the CI-ID was used in the analysis process from that point on.

Results of the quantitative analysis

The validity exercise led to eliminating 14 employees from the analysis, as their questionnaires were considered unreliable. As a result the final sample analysed consisted of 106 employees. This resulted in a sample size of 106, according to the equation above, this means a precision level of 9%. The data was analysed using the SPSS version 19 software. By conducting the quantitative analysis, the researcher attempts to test the hypothesis and to answer the research questions.

The SPSS analysis shows the following general statistical correlation results portrayed in Table 1. The statistics show that there is no relation between the CQ of employees and their overall individual performance. There is a positive relation between the CQ of employees and their performance with respect to the leadership competency component (the correlation is significant at the 0.01 level). There is a positive relation between the employees' CQ and their performance when it comes to applying and adopting the "winning ways" of the hotel (the correlation is significant at the 0.05 level).

Age and the number of years in the hotel have a positive effect on the CQ of employees (both having a significant correlation at the 0.05 level). However, gender and years of experience do not have an effect on CQ of employees at the hotel. Both scores of their correlation are insignificant.

Table 1

Correlation Significance of CQ and Selected Variables

Relation	Significance Score	Comment
Correlation between CQ and Overall Employee Performance	.277	Insignificant
Correlation between CQ and leadership competency	.000	Significant
Correlation between CQ and "Winning Ways"	.014	Significant
Correlation between CQ and Age	.020	Significant
Correlation between CQ and Gender	.145	Insignificant
Correlation between Age and number of years in this hotel	.535	Insignificant
Correlation between CQ and number of years in the hotel sector	.047	Significant

To have a deeper understanding of the effect of both age and the number of years in the hotel sector on the relation between CQ and the leadership competency, a stepwise regression analysis is conducted and results in the following outcomes shown in Table 2.

Table 2
Stepwise Regression Analysis of Age and Years of Experience

Model		Beta In	T	Sig.	Partial Correlation	Co-linearity Statistics Tolerance
1	Age	.039[a]	.414	.680	.042	.964
	Number of years in the hotel sector	.196[a]	2.115	.037	.208	.976
2	Age	-.116[b]	-1.010	.315	-.102	.632

a. Predictors in the Model: (Constant), CQ
b. Predictors in the Model: (Constant), CQ, Number of years in the hotel sector
c. Dependent Variable: LeadershipComp

The results show that age is not significant in the relation between CQ and leadership competency. However, the number of years of experience in the hotel sector has a significant impact within this relation (0.037 at the 0.05 level). Therefore, it is a moderating factor in the relationship between the CQ level and leadership competency.

This is further proven and illustrated in Table 3 below.

In an attempt to understand the effect of the different factors of the CQS on the leadership competence component of the employee performance a more detailed analysis is conducted. It resulted in the following correlations portrayed in Table 4.

Table 3
Multiple Regression table of CQ, Number of years in the Hotel Sector and Leadership Competency

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.197	.462		2.593	.011
	CQ	.014	.004	.361	3.876	.000
2	(Constant)	1.129	.455		2.482	.015
	CQ	.013	.004	.331	3.565	.001
	Number of years in the hotel sector	.108	.051	.196	2.115	.037

a. Dependent Variable: LeadershipComp

Table 4
Correlation Significance of CQ Factors and Leadership Competence

Relation	Significance Score	Comment
Correlation between Strategy CQ and leadership competency	.023	Significant
Correlation between Knowledge CQ and leadership competency	.096	Insignificant
Correlation between Motivation CQ and leadership competency	.006	Significant
Correlation between Behavior CQ and leadership competency	.002	Significant

Thus, there is a positive relation between Strategy CQ and leadership competency (significant at the 0.05 level). The same applies to the relation between Motivation CQ and leadership competency, and Behavior CQ and leadership competency. There is one insignificant correlation, which is the one between Knowledge CQ and leadership competency.

A further analysis is conducted to determine the relation between the four components of the CQ with the aspect of the "winning ways" evaluated in the performance of the employees and is shown in Table 5.

Table 5 shows that all correlations between the CQ factors and the "Winning Ways" are insignificant, except the one between Behavior CQ and "Winning Ways" (at the 0.05 level). There is a positive relation between Behavior CQ and "Winning Ways".

In another attempt to have a deeper understanding the researcher compares the means of the CQ in the various departments (in Table 6) which results in the following observation; the mean scores of the Food & Beverage and the Font Office departments were similar (126.55 and 126.08 respectively). This is close to the average mean of the sample which is 124.8. The mean of CQ score of the Sales department is 120.38, while for the Housekeeping department it is

129.5. The standard deviation of the Sales department is 15.48, while the three other departments range from 8.67 – 9.71.

Table 5
Correlation Significance of CQ Factors and "Quality Ways"

Relation	Significance Score	Comment
Correlation between Strategy CQ and Winning Ways	.341	Insignificant
Correlation between Knowledge CQ and Winning Ways	.088	Insignificant
Correlation between Motivation CQ and Winning Ways	.291	Insignificant
Correlation between Behavior CQ and Winning Ways	.015	Significant

Table 6
Comparison of the Mean of the CQ Score across Hotel Departments

Department	Mean	N	Std. Deviation
F&B	126.5500	40	8.67046
Front Office	126.0833	24	9.71291
Housekeeping	129.5000	6	8.80341
Sales	120.3846	26	15.48955
Other	121.6667	9	12.79648
			.
Total	124.8113	106	11.51323

Overall, the quantitative analysis results in the following findings:

There is a positive relation between cultural intelligence and some components of the employee performance.

Gender does not affect the CI of employees, however there is a relation between age and the CI of employees. There is also a relation between the number of years of experience in the hotel sector and the CI of employees in the hotel. However, age does not affect the relation between CI and components of employee performance, whereas the number of years of experience in the hotel sector does have an effect in this relation. The employees of the Sales department demonstrate a lower level of CI than all other departments.

The Qualitative Process

To verify the results of the findings, semi-structured interviews are conducted with both the HRM Director and the Training Manager of the hotel. The focus of the questions is to receive their feedback/comments on some of the results, especially the ones which were not expected.

The Qualitative Results

There is no relation between CQ and the overall performance score of the employees. This can be explained through the components and structure of the performance appraisal form/system. The KPO component which amounts to 50% of the overall performance score covers the technical part of the job, it is about meeting certain targets and fulfilling agreed upon commitments. It does not tackle competencies, i.e. how these targets are achieved and the abilities and competencies the employees demonstrate to achieve the targets. This part is covered in the "Leadership Competencies" section and in the "Winning Ways" section of the evaluation. These two parts are more related to "communicating effectively with customers from different countries and cultures". According to the two managers, "the first section covers the 'what', while the second and third sections cover the 'how' of the performance". Therefore, when the correlation between CQ and the individual scores of the second and third sections is tested, it is significant.

There is a clear and strong positive relation between CQ and the Leadership potential of employees (correlation is very significant, at the 0.01 level, i.e. very near to zero) which confirms the relationship identified in the literature by various scholars, though it is not the focus of this study. Cultural intelligence is positively related to effective leadership (Ang, et al., 2007). The leadership potential or competency in this case is part of the performance of the employees and it describes both behavior and motivation of employees and it is an appraisal criterion for their performance.

The other component which has a significant relation to CQ is applying and implementing the chain's "winning ways". This part is also a component of the performance of the employees. As explained, it covers the values and culture of the hotel chain and the items identified in the section (do the right thing, aim higher, show we care, celebrate difference and work better together) describe how the employees are expected to perform. Thus, it is about how the job is done.

It is evident that although age is positively related to CQ, gender and CQ are not related. However, this relation between age and CQ is not absolute. Individuals have to be working in cross-cultural settings to have their CQ increase with age. Thus, age can not be considered as a moderating factor in the CQ-performance relationship.

There is a positive and significant relation between CQ and the number of years spent in the hotel industry, as well. This means that experience in cross cultural settings is a factor in the CQ relation. This is further proven by the regression analysis conducted. This also coincides with results of the literature which point to the fact that a high CQ is related to a high ability to learn from experience. (NG, Dyne, & Ang, 2009) The number of years at this hotel, however, does not have a significant impact, on CQ or any of its components.

There is another interesting finding worth noting; when comparing the CQ of the different departments. The mean of the CQ score in the Food and Beverage department and in the Front Office Department are very similar (126.5 and 126.1). Along with the Sales Department, they had equal representation in the sample. The mean score of the Sales Department is lower (120). Based on the researcher's observation and as confirmed by the interviewees, the Sales employees do not have a high CQ in comparison to others, because they do not practice it in their job. They deal with travel agencies, corporate entities or Government entities, i.e. local customers. They do not need to communicate with foreign customers and that is why their CQ does not reach the same levels as their colleagues from other departments.

Still, it is noted that most of the CQ scores are high. The mean is 124 (out of 140). During the survey interviews, the researcher noticed that the participants knew many expressions and would even volunteer to give examples like "You can do this with an Italian guest, but not a Japanese!" When asked how they knew all of this, they said that they have received training about it. This is confirmed by the HR manager who explains that they are exposed to several generic training programs which include interpersonal skills, guest courtesy and communication to develop their attitude and behavior with the customers. They have intensive training and it is followed by short refreshing courses yearly as a follow-up. This further explains the point identified above with respect to the Sales department personnel. They receive the same training as their colleagues in other departments, however they do not practice it on the job afterwards, as they do not deal with people from other cultural backgrounds and nationalities. Therefore, they show lower levels of CQ.

Case studies are used widely to generalize findings from theory (Yin, 2003). Thus, it can be concluded that when it comes to the case of this hotel, the hypothesis is accepted, when focusing on certain criteria in the evaluation of the employees.

Overall Results

In the case of this hotel, the hypothesis is accepted, but with limitations. Cultural Intelligence has a positive relation with the quality of the employee performance. The CQ level has a positive effect on the quality of the performance and of the soft skills of the employees. The number of years of experience in cross cultural settings is a moderating factor in this relation. Therefore, the case study was able to generalize findings from theory and to explore a new area which is focusing on the quality of the performance and the soft skills of the employees working in cross cultural settings. In addition, it is confirming the relation between cultural intelligence and leadership competencies.

LIMITATIONS OF THE STUDY

Several limitations of this study should be considered. First, in the sample of the analysis not all departments are represented proportionally, especially the Housekeeping department. Findings cannot be generalized to employees of this particular department. Second, the sample does not include higher level management. It only reaches the level of supervisors. Only two managers are interviewed in the qualitative section of the empirical study. Third, the aspect of leadership potential can be examined more thoroughly, which can add to the significance of the results.

RECOMMENDATIONS FOR FUTURE RESEARCH

Future research may concentrate on the following aspects. First, it would be beneficial to compare the results of the findings of this study with other cases in and outside Cairo. This comparison will provide the opportunity to generalize more results to theory. Second, the relation between CQ and EQ could be further investigated in this sector to identify which parts of the performance are related to CQ and which are depending on EQ, if any. Third, examine the aspect of training further and relate it to the CQ enhancement. A future study could evaluate current training programs and identify ways to develop them to include important aspects like

CQ and EQ. Fourth, CI can be also investigated in national companies, where the focus will be on the organizational CI which is related to adapting to the culture of the organization, not to the various national cultures. It would be interesting to examine whether this intelligence will affect performance and/or leadership potential, as well.

CONCLUSION

This study contributes to the literature by providing results of an empirical explanatory case study, which turns into an exploratory one. It confirms a positive relation between CQ and performance competency of employees in the hotel sector in Egypt and identifies age and cross cultural work experience as moderating factors in this relation. Therefore, CQ should be considered in the selection and further developed and enhanced in the training of the employees in this sector. It should also be one of the criteria for their evaluation and therefore be reflected in the performance management system. This will have a positive effect on the overall work competencies and on the performance of these employees.

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The Questionnaire
The 20-item four factor CQS (The CQ Scale)

This questionnaire is conducted for academic purposes. All information will be treated in a confidential way and will only be used to serve academic research. Names will not be mentioned.

General Information:

☐ Male   ☐ Female   Age: ------------

Educational Background:

☐ Faculty of Tourism   ☐ Other

Department: --

Number of years at this hotel:

☐ Less than 5 years   ☐ Between 5 and 10 years   ☐ More than 10 years

Number of years in the hotel sector:

☐ Less than 5 years   ☐ Between 5 and 10 years   ☐ More than 10 years

CQ-Strategy:		Strongly DISAGREE				Strongly AGREE		
MC1	I am conscious of the cultural knowledge I use when interacting with people with different cultural backgrounds.	1	2	3	4	5	6	7
MC2	I adjust my cultural knowledge as I interact with people from a culture that is unfamiliar to me.	1	2	3	4	5	6	7
MC3	I am conscious of the cultural knowledge I apply to cross-cultural interactions.	1	2	3	4	5	6	7
MC4	I check the accuracy of my cultural knowledge as I interact with people from different cultures.	1	2	3	4	5	6	7
MCE	I like to be spontaneous and act on impulse when I meet new people	1	2	3	4	5	6	7
CQ-Knowledge:								
COG1	I know the legal and economic systems of other cultures.	1	2	3	4	5	6	7
COG2	I know the rules (e.g., vocabulary, grammar) of other languages.	1	2	3	4	5	6	7

		Strongly DISAGREE				Strongly AGREE		
COG3	I know the cultural values and religious beliefs of other cultures.	1	2	3	4	5	6	7
COG4	I know the marriage systems of other cultures.	1	2	3	4	5	6	7
COG5	I know the arts and crafts of other cultures.	1	2	3	4	5	6	7
COG6	I know the rules for expressing non-verbal behaviors in other cultures.	1	2	3	4	5	6	7
COGE	I need to read and learn about other cultures.	1	2	3	4	5	6	7

CQ-Motivation:

MOT1	I enjoy interacting with people from different cultures.	1	2	3	4	5	6	7
MOT2	I am confident that I can socialize with locals in a culture that is unfamiliar to me.	1	2	3	4	5	6	7
MOT3	I am sure I can deal with the stresses of adjusting to a culture that is new to me.	1	2	3	4	5	6	7
MOT4	I enjoy living in cultures that are unfamiliar to me.	1	2	3	4	5	6	7
MOT5	I am confident that I can get used to the shopping conditions in a different culture.	1	2	3	4	5	6	7
MOTE	I like to work in Egypt and will not be happy working anywhere else.	1	2	3	4	5	6	7

CQ-Behavior:

BEH1	I change my verbal behavior (e.g., accent, tone) when a cross-cultural interaction requires it.	1	2	3	4	5	6	7
BEH2	I use pause and silence differently to suit different cross-cultural situations.	1	2	3	4	5	6	7
BEH3	I vary the rate of my speaking when a cross-cultural situation requires it.	1	2	3	4	5	6	7
BEH4	I change my non-verbal behavior when a cross-cultural situation requires it.	1	2	3	4	5	6	7
BEH5	I alter my facial expressions when a cross-cultural interaction requires it.	1	2	3	4	5	6	7
BEHE	I admire people who would not alter their attitudes and behavior to please other people.	1	2	3	4	5	6	7